



CITY OF DURHAM | NORTH CAROLINA

**Date:** December 21, 2010

**To:** Thomas J. Bonfield, City Manager

**Through:** Theodore L. Voorhees, Deputy City Manager

**From:** Donald F. Greeley, Director, Water Management  
Bryant J. Green, Civil Engineer III

**Subject:** 2010 Residential Meter Replacement Project Phase II– Vanguard Utility Service, Inc. (Contract MR-6)

**Executive Summary:**

The Department of Water Management received bids on Friday, December 17<sup>th</sup> for Contract MR-6, 2010 Residential Meter Replacement Phase II. The proposed project consists of upgrading 20,500 manual-read residential water meters to new remote-read meters. This project is the second phase of the Residential Meter Replacement Program. Phase I was completed in December of 2010. A total of 5 bids were received, with Vanguard Utility Service, Inc. being the lowest responsive and responsible bidder.

**Recommendations:**

The Department recommends the City Council:

1. Authorize the City Manager to execute a contract with Vanguard Utility Service, Inc. for the MR-6 Residential Meter Replacement Project Phase II for \$4,695,266.32.
2. Establish a contingency fund for the contract in the amount of \$470,000 and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$470,000 and the total project cost does not exceed \$5,165,266.32.

**Background:**

The City's proposed Automated Meter Reading (AMR) project has been presented to and is supported by Durham's City Council and administration as an efficiency tool. This project fits into the community's Greenhouse Gas Reduction plan by decreasing the fuel consumption by the departmental fleet while maximizing the efficiency of the workforce. Currently, Department of Water Management has 11 positions (and 11 vehicles) assigned to accomplish reading meters in 20 districts. One district of large commercial, industrial and institutional meters is currently being read on a monthly basis; the remaining 18 districts are read bi-monthly. With the full implementation of AMR, the department will be able to significantly reduce vehicle miles traveled, reducing both fuel consumption and emissions. As currently planned, AMR will enable City forces to read the 80,000 plus accounts in the City's service area each

month in 5 to 10 working days, using one-third of the existing assigned positions and vehicles.

Research has indicated that use of AMR technology provides more immediate notification and repair of leaks in customers' facilities and other indicators of issues in water delivery. Additionally, more frequent billing traditionally provides a more stable revenue stream for the City.

This project is the second phase of the AMR meter replacement program, and will replace 20,500 meters not replaced as part of the first phase.

**Issues and Analysis:**

The Department of Water Management formally advertised this project for bid on November 10<sup>th</sup>, 2010. The project was bid as a base bid with alternate additional bid. Five bids were received and opened on Friday, December 17<sup>th</sup>. The bid results, including the additional alternate bids, are:

Vanguard Utility Service, Inc	\$ 4,695,266.32
Pipeline Utilities, Inc.	\$ 5,083,870.00
Mueller Service Company, LLC	\$ 5,166,902.00
Monroe Roadways Contractors, Inc	\$ 5,413,517.57
TA Loving Company	\$ 6,636,325.00

The lowest responsible and responsive bidder is Vanguard Utility Service, Inc. The base bid plus the additional alternate bid is 5% under the Engineer's Estimate and within the budget allocated for this phase of the program.

**Alternatives:**

Alternative 1: Do not enter in to a contract with Vanguard Utility Service, Inc. and attempt to replace all of the meters with City crews. The City's crews are already committed to other assignments in the City. Using City crews will also take significantly longer and will necessitate the purchase and storage of 20,500 water meters.

**Financial Impacts:**

Funds for this contract are budgeted in the Automated Meter Replacement line item in the City's Capital Improvement Program. There are currently funds available for this contract:

4100P700-764000-P0410 - \$5,165,266.32

**SDBE Summary:**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Vanguard Utility Service, Inc. of Owensboro, Kentucky to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that Vanguard Utility Service, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**SDBE REQUIREMENTS**

*Good Things Are Happening In Durham*

There were no SDBE requirements for this project.

## **WORKFORCE STATISTICS**

The workforce statistics for Vanguard Utility Service, Inc are as follows:

Total Workforce	167	
Total Females	13	8%
Total Males	155	92%
Black Males	34	20%
White Males	68	41%
Other Males	52	31%
Black Females	0	0%
White Females	12	7%
Other Females	1	1%